



# Precise. Versatile. Sustainable.

Consistently  
enhanced.



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# Foundations





RATIONAL's Executive Board inspecting the progress of construction work in Wittenheim at the beginning of February 2022.

**Peter Wiedemann**  
Chief Technical Officer

Born in 1959, Mr Wiedemann joined RATIONAL GmbH in 1988 as an engineer. He went on to work as a product manager, supported the development of the American subsidiary and took over the technical division as a member of the management team in January 1996. Since September 1999, he has had the same responsibility as a member of the Executive Board.

**Markus Paschmann**  
Chief Sales Officer

Born in 1966, Mr Paschmann has been Chief Sales Officer at RATIONAL since December 2013. After completing his studies in industrial engineering, he began his career at Siemens AG. He was then, among other things, head of the Global Business Unit Electronics at the Harting Technology Group. From 2006 to 2013 he was a member of the Executive Board of Sick AG.

**Jörg Walter**  
Chief Financial Officer

Born in 1970, Mr Walter joined RATIONAL AG in 2011. He was responsible for the group-wide Controlling activities until he was appointed Chief Financial Officer as of 1 March 2021. Mr Walter graduated as an industrial engineer and has held senior commercial positions at RÜTGERS AG and ROTO Frank AG.

**Dr Peter Stadelmann**  
Chief Executive Officer

Born in 1965, Dr Peter Stadelmann has been a member of the Executive Board at RATIONAL since 2012. He has been the CEO since January 2014. He previously spent more than 20 years in a variety of managerial functions at the Malik Management Centre St. Gallen. From 2006, he spent six years as operational Managing Director of the Malik Group.

## Letter from the Executive Board

**Dear Ladies and Gentlemen,**

You are holding our 2021 Sustainability Report in your hands. Sustainability issues increasingly became a social concern in the past fiscal year. We also perceive this trend in our day-to-day business: Whether it's queries from our customers as to how our cooking systems — the iCombi Pro, iCombi Classic and iVario — can make an even better contribution to energy efficiency in their everyday use in kitchens. Whether it's legal and regulatory changes relating to reporting in the future — such as the Corporate Sustainability Reporting Directive (CSRD) or the EU Taxonomy. Whether it's discussions with and among our employees about how we as a company can do business in order to use resources sensibly and efficiently and not exploit them at the expense of future generations. Or whether it's the expectations of you, our shareholders, to obtain reliable information on how our company is positioning itself to remain fit for the future.

Because ultimately, sustainable business means nothing less than preserving the company's future viability. Putting customer benefit at the heart of all we do remains the priority that guides our activities. And what better measure of the success of our efforts to deliver sustainable solutions could there be than our customers? Continuously improving energy efficiency in times of rising energy prices, optimised ergonomic solutions for handling RATIONAL appliances, reduced use of chemical cleaning agents coupled with an ecologically optimised recipe for them, or the possibility of networking appliances in order to optimise operational reliability and simplify hygiene management and administration. These are all aspects highlighting the practical benefits of our sustainable innovations.

We once again accomplished quite a lot in 2021 in order to practice even greater sustainability at our sites. We have, for example, switched to 100% green electricity at our headquarters in Landsberg am Lech and taken the first steps to transform our fleet by converting it to electromobility. We not only optimised process stability, but also achieved ecological improvements through targeted building management measures.

During the challenging coronavirus pandemic, we helped our employees stay physically and mentally healthy by means of pinpointed offerings.

In particular, however, we began developing a sustainability strategy for RATIONAL as part of a concerted project in fiscal 2021. As a result, we are creating a clear framework for our future decisions and measures to ensure RATIONAL's sustainability and future viability long term.

We are sure you'll be excited to hear what we can report on this subject in fiscal 2022!

**Dr Peter Stadelmann**  
CEO of RATIONAL AG



## About this report

### The RATIONAL Group's business model

RATIONAL AG's business model is presented in the section "Fundamental information about the Group" of the management report, which is why we refer readers to that section here. It deals with the Group's organisational structure and locations, products and services, segments, and markets, customers and competitive situation. ([rational-online.com/en\\_gb/company/investor-relations/publications/](https://rational-online.com/en_gb/company/investor-relations/publications/))

### Information on the Sustainability Report

This Sustainability Report has not been audited by an independent auditor. This report reproduces parts of or is closely based on the non-financial consolidated report. They are not explicitly indicated.

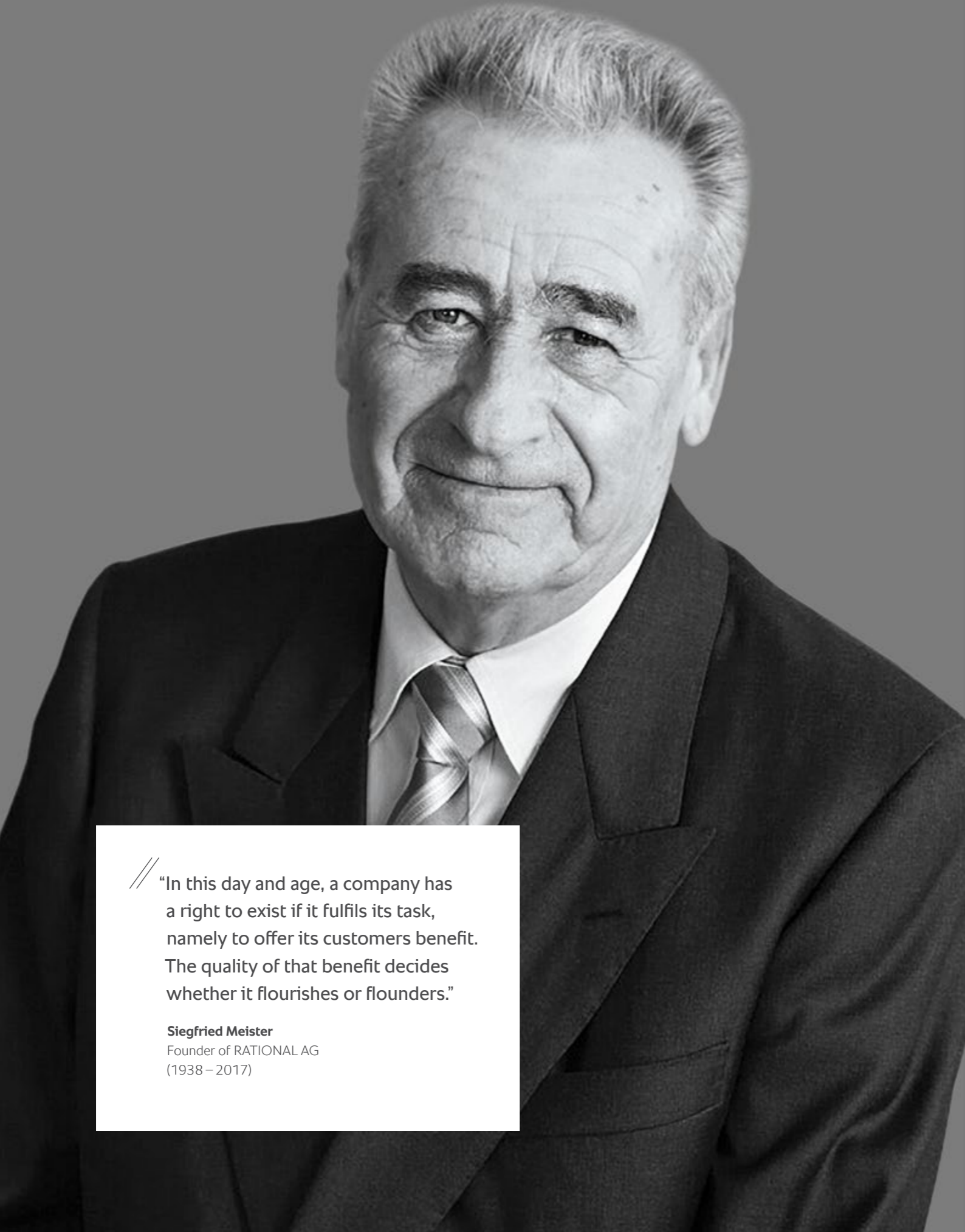
The separate non-financial consolidated report was the subject of a limited assurance engagement under ISAE 3000 (Revised) by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. It was published on time in April 2022. It is published annually and is available online in PDF form on the company website. ([rational-online.com/en\\_gb/company/investor-relations/publications/](https://rational-online.com/en_gb/company/investor-relations/publications/))

### Scope

This report refers in principle to the RATIONAL Group. Some statements apply solely to combi-steamer technology. In cases where information or performance indicators refer only to sub-segments of the Group, this will be stated explicitly.

# Strategy





“In this day and age, a company has a right to exist if it fulfils its task, namely to offer its customers benefit. The quality of that benefit decides whether it flourishes or flounders.”

**Siegfried Meister**  
 Founder of RATIONAL AG  
 (1938 – 2017)

## Sustainability strategy: people and the environment are at the heart of everything

To us sustainability means giving equal consideration to economic, environmental and social aspects in our management processes and hence serving the interests of our company's stakeholders as best as possible.



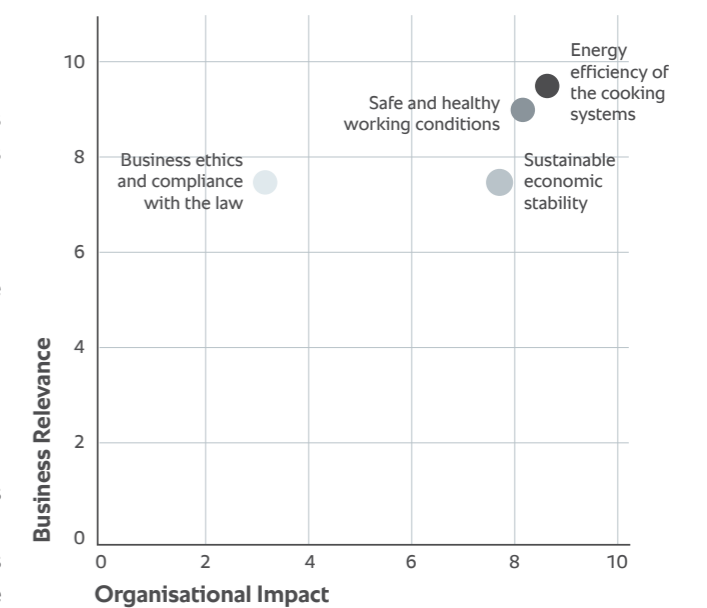
to include all important stakeholder groups influenced by our business activities and their interests in our considerations and developments. These stakeholders are our suppliers, dealers, customers, our customers' guests, our employees and their families, society and also future generations — so that we can leave behind a world our grandchildren can live in.

On the basis of the 2019/2020 materiality analysis, we and a consulting firm that specialises in sustainability management conducted interviews with 20 representatives from the various stakeholder groups held a materiality workshop with many relevant employees and managers in autumn 2021. 14 issues representing particularly material sustainability aspects for our stakeholders were defined in the social, environmental and governance categories. In line with the double materiality clause set out in Section 289c (3) of the German Commercial Code (HGB), the criteria assessed were the influence on the respective sustainability field from RATIONAL's business activity (organisational impact) and the impact of the sustainability field on RATIONAL's business development, performance and situation (business relevance).

Ultimately, that is part of RATIONAL's DNA. The overriding goal for RATIONAL defined by our founder Siegfried Meister right from the outset has not been to achieve growth or maximise profits, for example, but to deliver benefit to our customers. We want to help them accomplish their tasks and achieve their aspirations. That aim is entrenched in our corporate philosophy.

An analysis of the material issues is presented in the materiality matrix below:

Thermal preparation of food requires energy and water. Their efficient use is vital for ecological reasons (CO<sub>2</sub> emissions, water shortage) and on economic grounds (rising costs of resources). Our corporate philosophy therefore obligates us to make great efforts to keep on improving the energy and resource efficiency of our cooking systems.



A key part of our innovation strategy is to provide the people who prepare hot food in the commercial sector with technology that makes their everyday work easier.

### Our materiality process

Stakeholder dialogue is a core element of our sustainable activity. The company needs it to address the concerns of its various stakeholders. It also helps us to expand our own commercial perspectives, identify important social developments early on and take appropriate action. That is why we strive

A detailed description of the materiality analysis can be found in the non-financial consolidated report. ([rational-online.com/en\\_gb/company/investor-relations/publications/](https://rational-online.com/en_gb/company/investor-relations/publications/)).

Our strategically relevant action areas are grouped and assigned to the respective sections in this report in the following table. The matrix also shows how the sustainability issues are assigned to the aspects defined by the German Commercial Code (HGB) in the non-financial consolidated report. Issues not assigned to any of the matters are not part of the separate non-financial consolidated report.

There are also references to some of the 17 global Sustainable Development Goals (SDGs) adopted by the United Nations.

Important sustainability aspects	Assignment to the material aspects dealt with in the non-financial statement (HGB)	Assigned to the section "Precise. Versatile. Sustainable." Documents audited separately	SDG
Economic stability and reliable partners		Long-term economic stability. RATIONAL as a dependable partner.	8
Appliance efficiency	Customer concerns	Our number one. The customer. Energy	7
Working safely with the appliances			3
Healthy nutrition	Social matters	Versatile food. Gentle cooking for a healthy diet.	3
Durability and recyclability	Environmental matters	Less is more. Durability and recyclability.	12
Reduced volumes of waste and wastewater	Environmental matters	Kind to the environment. Resource-efficient production and logistics. Use and water and volume of waste	6
Corporate culture; working independently and with personal responsibility	Employee matters	Our engine that drives sustainability. Our employees.	8
Employees: occupational health and safety	Employee matters	Entrepreneur in the Company (U.i.U.) Employees' health and safety	
Worldwide compliance with all legal requirements	Human rights, anti-corruption	A matter of course. Ethics and legal compliance.	16

**Our strategy**

Our sustainability strategy is based on the materiality analysis, which reflects our stakeholders' demands and expectations. It takes into account the action areas assessed as being very important from the external and internal perspective. These, and other action areas above and beyond them, are the core content of our sustainability strategy. It translates into the following action areas.

**1. Environmental matters — energy-efficient cooking systems**

Everyday work in a kitchen entails high levels of energy consumption, peak demand periods and electricity costs for our customers.

RATIONAL wants to replace traditional cooking appliances that use a lot of energy with its cooking systems. That makes us more attractive to customers and is kinder to the environment. The closed cooking system in a combi-steamer prevents heat from constantly being released into the ambient air. The triple-glazed door we launched in 2016 optimises the retention of heat in the cooking cabinet. Software-based cooking profiles control the energy input for the food being cooked to suit requirements. Cooking intelligence monitors the cooking process reliably — there is no longer any need to open doors (and so waste energy) or for manual supervision.

The iVario's very high energy efficiency is explained by the fact that ceramic heating elements are located directly in the base of the pan. Moreover, the base of the pan is extremely thin. These two aspects in tandem result in an extremely rapid response as regards controlling the temperature, a high level of efficiency, and perfect cooking quality.

Apart from enhancing the quality of food, a further key focus of our research and development activities is to keep on improving the energy consumption of our cooking systems. We put new cooking systems on the market in an innovation cycle that lasts seven to ten years. Our aim is for each new generation to reduce energy consumption systematically compared to its predecessor.

**2. Employee matters — safe and healthy working conditions**

A safe and healthy working environment, as well as numerous measures to promote health, mean that employees suffer fewer occupational illnesses, injuries and stress. Employees can feel satisfied, be motivated and perform well only if the environment they work in is safe.

It is therefore essential to establish suitable concepts and measures to keep the number of work accidents, sickness rates and absences down. As part of that, our targets are geared towards the figures for the previous year, which we try to improve on or beat.

We make an important contribution to safety at work with risk and hazard assessments for machinery, workplaces, products and activities. The aim is to determine the condition of the machinery, operating facilities, workplaces and products and identify the risk potential from hazardous substances. As a result, we constantly have an eye on potential risk situations for our employees and can take action if and when necessary.

We offer them measures to strengthen their health and enhance their work-life balance above and beyond those to protect and promote health prescribed by law (such as company doctor services, occupational re-integration management). They include various community sports activities and the option of participating in qualitrain in Germany. RATIONAL enables staff to obtain low-cost, subsidised membership so that they can pursue sporting activities at numerous sports and leisure facilities.

**3. Social matters — sustainable economic stability**

From very early on, RATIONAL's founder Siegfried Meister defined customer benefit as the company's main aim under its corporate philosophy. Moreover, the corporate philosophy demands that all employees treat each other with respect and as equals. In accordance with that philosophy, we also aim to be a long-term, reliable partner to suppliers at all times.

We believe that growth entails responsibility. We combine growth with the sustainability criteria of eco-friendly and socially responsible activities in strict compliance with all statutory requirements. RATIONAL ensures its long-term growth and economic stability through uncompromising customer orientation. That means we always ask ourselves what benefit the customer receives in all we do. That makes us a long-term, reliable business partner to customers, dealers, employees and suppliers at all times.

The KPI for our customers' satisfaction is the internationally acknowledged Net Promoter Score (NPS). You can find further explanations in the section "Customer satisfaction".



A young oak sapling with several bright green leaves stands in the foreground of a sun-dappled forest. The background is filled with out-of-focus green foliage and sunlight filtering through the trees, creating a bokeh effect. The overall scene is bright and natural, symbolizing growth and sustainability.

# Sustainability — consistently enhanced

“Many companies focus their activities on rapid growth and maximising short-term profit, and structure their organisations accordingly. At RATIONAL, we think and act differently. For us, financial key performance indicators merely serve as the yardstick of how well we have fulfilled our entrepreneurial role. They are the result of combining the right strategy with the right actions.”

**Siegfried Meister**  
Founder of RATIONAL AG  
(1938 – 2017)

## Sustainable economic stability



### SDG 8

RATIONAL has grown continuously and stably since it was founded. The company thereby helps increase prosperity, while offering safe jobs with good conditions. RATIONAL keeps on developing new technologies and innovations, making it equipped to also tackle whatever lies ahead.

Thanks to our sustainable growth, we offer our employees safe jobs with good conditions and are a long-term, reliable business partner to suppliers, customers and dealers. We have more than doubled our global headcount in the past 10 years, to 2,258 at the end of 2019. Despite a 23% fall in sales revenues, we managed to keep the reduction in our workforce in the crisis year of 2020 to just 3% by using flexible instruments.

### Sustainable economic stability. RATIONAL as a dependable partner.

The company believes that the prime focus of forward-looking, entrepreneurial activity is always on delivering customer benefit. It is our conviction that this is the foundation of our success and the reason why we have grown continuously, stably and profitably since our founding. Our customers and other business partners have a strong trust in RATIONAL, not least because of that long-term stability.

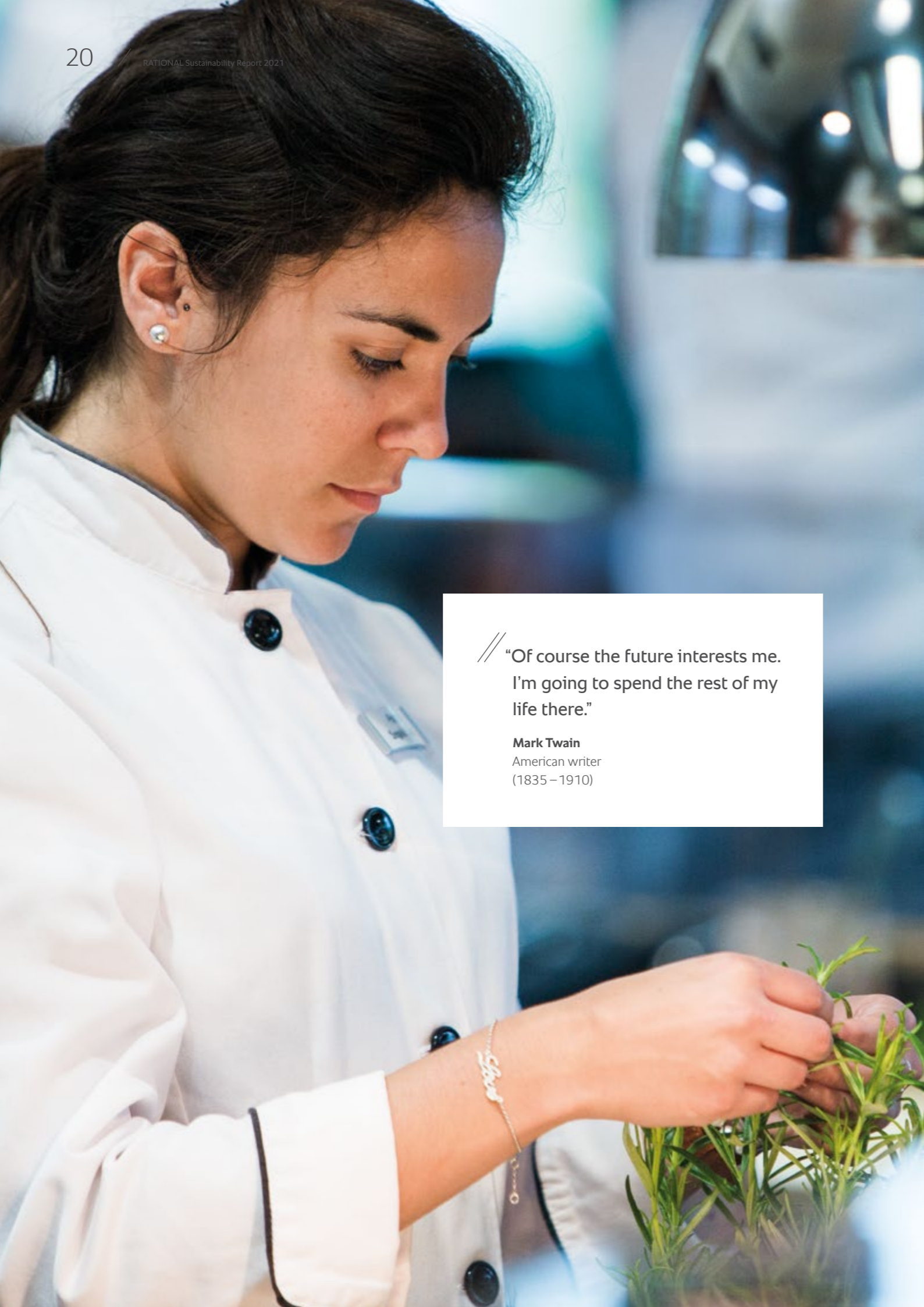
Since mid-2021, we have refilled posts and created new ones to reflect our improving future prospects. As at the balance sheet date 31 December 2021, the total number of employees in the Group therefore rose again to 2,248 or almost pre-crisis levels (2020: 2,180).

RATIONAL continuously conducts research and develops new technologies and innovations in order to keep on ensuring that it delivers maximum benefit to its customers. As a result, we secure our market and technology leadership and are able to adapt to changes in customer needs at all times.

We grew by an annual average of 9% in the 10 years before the coronavirus crisis. Whereas sales revenues in fiscal 2020 slumped 23% year over year to 650 million euros due to the impact of the coronavirus crisis, we noted a significant catch-up effect in fiscal 2021. Total sales revenues were 780 million euros. Despite the very volatile environment, in particular on procurement markets, we assume that the company will continue to perform successfully given that demand remains unchanged, the very good market position of our cooking systems and services, a skilled and motivated workforce, our very healthy balance sheet structure, and our long-term corporate philosophy.

We believe that sustainable business is not only a commercial advantage, but also a bedrock of broad prosperity. This way of doing business creates jobs and tax revenue on a permanent basis, making it the foundation for an efficient welfare state.

We refer here to the 2021 Annual Report for details on RATIONAL's business and financial performance. ([rational-online.com/en\\_gb/company/investor-relations/publications/](https://rational-online.com/en_gb/company/investor-relations/publications/)).



“Of course the future interests me. I’m going to spend the rest of my life there.”

**Mark Twain**  
American writer  
(1835 – 1910)

## Our number one: the customer

### Customer satisfaction

In view of the varied nature of the sales and customer loyalty measures, we have used the Net Promoter Score (NPS) as a key performance indicator for customer satisfaction since 2021. The Net Promoter Score is a metric that is widely used in business to measure the strength of customer relationships and was developed in 2003 by Fred Reichheld, a partner at Bain & Company, as a new method of measuring customer relationships. The NPS was presented in the same year in an article in the Harvard Business Review (“One Number You Need to Grow”). RATIONAL adopted the NPS as a measure of customer satisfaction in 2021 because it reflects customer relationships in a predictive and intentionally more volatile manner. As in previous years, this index score is managed by statistically analysing the customer ratings in four main categories with multiple subcategories and using them to formulate recommendations for action. The categories are:

1. Contacts and ways of getting in touch
2. Purchase/order process, including commissioning
3. Appliance features, including ease of use
4. Additional services

The RATIONAL satisfaction index is calculated at country level and aggregated into a global score. In 2021, the score was calculated for 15 countries and based on a survey of more than 2,000 customers. The NPS score is shown on a scale of -100 to +100.

To ensure that we properly assess the needs of our customers, we regularly conduct a broad-based customer survey in which we query their satisfaction, but also potential and necessary improvements.

The current customer satisfaction index relates to RATIONAL's customer survey from 2021. The NPS calculated in this survey measures the strength of the customer relationship by ascertaining the recommendation rate. The survey was conducted in a total of 15 countries and covers a large share of total sales revenues. The NPS score for 2021 is 61. That makes RATIONAL one of the best-in-class companies in B2B International surveys (B2B International is RATIONAL's new partner for these surveys). The comparative scores for the B2B benchmark (32), the manufacturing benchmark (30) or the food &

drink benchmark (37) are well below the 61 the company achieved. The very good recommendation rates (NPS scores) also testify to the consistently good relationships with our customers even after our switch to a new index.

In these highly detailed surveys, our customers point out areas where they think RATIONAL can do even better. These suggestions are discussed with the Chief Sales Officer of RATIONAL AG and implemented by the respective national organisations.

More than 100 short- and long-term measures for the subsidiaries and headquarters were derived from the 2021 survey. Some of the measures have already been implemented. They include in particular the fact that RATIONAL AG is easier to find on YouTube in international markets, or expanded communication using WeChat in China. We have also launched medium- and long-term projects to help give our customers better support during the product life cycle (such as a hotline or cooking events).

#### Energy



**SDG 7**  
RATIONAL's products help save energy compared to traditional cooking appliances and predecessor models. That reduces the use of energy resources.

#### Energy efficiency is a competitive advantage

Everyday work in a kitchen entails high levels of energy consumption, peak demand periods and electricity costs for our customers.

Because of the high costs of energy and greater ecological awareness, our customers are increasingly vigilant when it comes to conserving resources. We help them achieve their ecological goals and cut costs, since our cooking systems consume less energy than is the case with traditional methods and predecessor models. An important seal of quality for energy-efficient cooking systems, and one that is acknowledged by customers worldwide, is the U.S. ENERGY STAR.

### Closed cooking systems are more energy-efficient

RATIONAL wants to replace traditional cooking appliances that use a lot of energy with its cooking systems. That makes us more attractive to customers and is kinder to the environment. The closed cooking system in a combi-steamer prevents heat from constantly being released into the ambient air. The triple-glazed door we launched in 2016 optimises the retention of heat in the cooking cabinet. Software-based cooking profiles control the energy input for the food being cooked to suit requirements. The cooking intelligence eliminates the need to intermittently open the door to monitor the cooking process.

### Combining innovative materials with smart software control

The iVario's very high energy efficiency is explained by the fact that ceramic heating elements are located directly in the base of the pan. Moreover, the base of the pan is extremely thin. These two aspects in tandem, along with cutting-edge cooking intelligence in the software, result in an extremely rapid response as regards controlling the temperature, a high level of efficiency, and top-class cooking quality.

### Focus on efficiency in research and development

Apart from enhancing the quality of food, a further key focus of our research and development activities is to keep on improving the energy consumption of our cooking systems. We put new cooking systems on the market in an innovation cycle that lasts seven to ten years. Our aim is for each new generation to reduce energy consumption systematically compared to its predecessor.

The specific targets for saving resources in the research projects are defined in project outlines and technical and functional specifications. For example, the target set when developing the iCombi generation was to cut energy consumption by 10% compared with its predecessor. The results are regularly assessed and checked in project reports and in the steering committee meetings in the presence of the Executive Board. As part of that, for example, various foods are cooked and the energy consumption required for each food is analysed in laboratory experiments.

We are constantly increasing our personnel and financial capacities in research and development to achieve those

goals. More than 220 employees are currently working to improve our cooking systems and services. We spent 45.1 million euros in 2021 (2020: 42.3 million euros) on research and development. That corresponds to 6% (2020: 7%) of sales revenues.

### U.S. ENERGY STAR as a key performance indicator

The U.S. ENERGY STAR is an internationally recognised seal attesting that a technology is energy-efficient. The U.S. ENERGY STAR is the symbol for energy-efficient appliances supported by the U.S. Government. A key criterion of the ENERGY STAR is maximum energy consumption by appliances over a specific period of time. The thresholds appliances must meet to be awarded the ENERGY STAR are growing more and more demanding. The energy consumption of our appliances in 2020 was determined by an independent testing institute, submitted by it to ENERGY STAR and then checked by ENERGY STAR to ascertain whether the demanding limit values were achieved.

Given the great relevance of the U.S. ENERGY STAR, the proportion of cooking systems that hold this label is a key performance indicator. We are enhancing the market perception of our cooking systems by undertaking cross-process efforts in research and development to achieve these ambitious targets to reduce consumption and furnish proof of that in the examination process.

We presented the iCombi Plus and iCombi Classic on the market in 2020. For the first time in 2021, the new appliance generation was solely produced and predominantly sold. Thanks to the resulting improved cooking intelligence and lower cooking times, the increases in productivity and the more efficient cleaning, we were able to reduce energy consumption by around 10% compared with the predecessor models.

### 76% of RATIONAL cooking systems bear the U.S. ENERGY STAR

Thanks to the high energy efficiency of our appliances, around 76% of the cooking systems RATIONAL sold in 2021 have the right to bear the U.S. ENERGY STAR. The label is assigned for a product category if a sufficient number of measured values for products from different manufacturers exists in this category and the demanding standards are achieved.

The iCombi Pro holds the certificate for all the types of appliance to which it is awarded. We were awarded the label for parts of the iCombi Classic line in 2021. As for the iVario, the total population of similar appliance types is too small, meaning there is no relevant product category to which the ENERGY STAR is awarded. As a result, 50% of all types of RATIONAL appliance are allowed to bear this mark of high energy efficiency. A sufficient number of measured values from different manufacturers has not yet been submitted for a further 25% of RATIONAL's appliance types and sizes, which means that no ENERGY STAR has as yet been awarded in these categories.

That means 93% of all appliances that were sold by RATIONAL in 2021 and could be awarded the ENERGY STAR in accordance with the relevant ASTM (American Society for Testing and Materials) standard bear the label. Just 7% of the appliances that are sold by RATIONAL and are eligible for this certification do not hold it.

### Holistic concept for the kitchen

However, our goal of energy efficiency is not confined to enhancing our appliances. Because we look at the big picture and want to optimise the kitchen as a whole. That covers all potential aspects — from ventilation, air-conditioning and heating systems to ways of saving space.

However, the main focus is on peak demand periods and energy-intensive air-conditioning technology. Peak demand periods are periods in which there is a brief, but large increase in demand for power in the grid, with the result that electricity is also particularly expensive during them. Kitchens with a modern, efficient design help distribute the use of electricity more evenly. As a result, there is less intensive demand at peak times (e.g. 10:00 a.m. to 12:00 p.m.) throughout the grid, electricity is cheaper as a result of even distribution and the supply of power is more secure.

The large supply and exhaust air volumes required when out-of-date cooking technology is used cause up to 40% of total energy costs in a commercial kitchen.

Thanks to the proven and very high level of energy efficiency of the iCombi and iVario, far less heat is lost during cooking. As a result, smaller ventilation systems can be installed, entailing much less investment (for ventilation, heating in the winter and cooling in the summer) and far lower energy requirements. The new iVario and iCombi also allow the ventilation to be controlled to suit needs. For example, the iCombi activates a switching signal as soon as the cooking cabinet door is opened (the ventilation is automatically raised to a higher level) or a switch signal is activated as soon as automatic cleaning during the night is completed (the ventilation is switched off).

RATIONAL is increasingly using its extensive expertise in optimising kitchen processes and application-related aspects as part of the thermal preparation of food in consulting projects.

### ConnectedCooking

ConnectedCooking is a free means of digitally accessing RATIONAL's cooking systems and services. Among other things, it allows our customers to update the appliance software, keep tabs on the appliance's status, create and distribute cooking programs, and document their hygiene data. The advantages of this are simpler work processes and time savings. Moreover, remote maintenance can reduce callouts for service technicians and the time and travel that involves, thereby saving precious resources. RATIONAL was awarded the "Green Ribbon" environmental label for this.

## Ergonomics and occupational safety in the professional kitchen

RATIONAL strives to protect the health of those who use its appliances. Work in commercial kitchens all over the world sometimes comes with its special risks. The stress and hectic pace involved, the need to haul heavy loads and handle hot liquids, and the heavy time pressure are recurrent challenges that chefs face. The following overview shows what we consider to be the main health risks for employees in professional kitchens and the key sources of danger.

Health risks	Sources of danger											
	High heat radiation	Hot surfaces	Hot steam	Working height — overhead tasks	Air-borne toxins	Heavy loads	Hot liquids	High humidity	Cleaning chemicals	Stress	Risk of slipping	
Spinal injuries				X		X					X	X
Sprains and fractures												X
Scalding			X	X			X					
Burns		X										
Chemical burns									X			
Respiratory diseases					X				X			
Mental stress											X	
Cardiovascular diseases	X				X		X				X	

### Reduction in the risk from hot liquids, steam and surfaces

The air quality in the kitchen is hot and humid, resulting in a physical strain on people in a kitchen where traditional cooking technology is used. A Norwegian study published in January 2019 shows that cooking also releases irritants and allergens into the air. As a result, kitchen staff can be permanently exposed to greater burdens on their health during work. Those burdens can be reduced significantly with RATIONAL appliances.

The iCombi has a closed cooking chamber that is highly insulated and has a triple-pane glass door. In the iVario, only the base of the pan is heated, and because of its high cooking speed and rapid response the appliance is only switched on when heat is needed. With the iVario, the edges of pans also remain completely cold so that users cannot burn themselves. In addition, the “iZoneControl” function in the new iVario means that only particular zones of a pan can be selected or heated if the pan is used less. That saves energy and also reduces peak demand periods.

Another benefit is that the iCombi dispenses almost completely with hot fat. Work accidents involving hot fat can therefore practically be ruled out.

Both appliance types have automatic drains that eliminate the need for open drains for the hot, steaming water. The risk of slipping on the smooth surface of gutter grates is a thing of the past. In addition, any scalding of legs from the release of hot water is ruled out. A two-stage safety lock prevents injuries caused by large amounts of hot steam escaping from the iCombi and high levels of air pollution. Since the door can initially only be opened a crack, the exhaust system immediately extracts the air-steam mixture upwards so that it poses no hazard to the user. With the iVario, the automatic tilting system and height adjustment feature help kitchen staff handle large amounts of hot liquid, thus reducing the risk of accidents.

### Improvement in cleaning processes

Like with a domestic dishwasher, the iCombi cleans itself automatically using cleaning chemicals in the form of tabs. Chemical burns to the eyes, respiratory system and skin caused by spraying and handling liquid chemicals, as well as the transportation of bulkier liquid detergent containers, can thus be minimised. Compared to the previous model, fewer chemicals are required for each automatic cleaning. That protects the environment and significantly reduces costs for customers. When the iCombi was launched, there was a switch in cleaning chemicals to phosphate-free agents (“Active Green” tabs). Phosphates have an adverse impact on water quality and are harmful to aquatic plants and animals. RATIONAL even offers existing customers (with a SelfCookingCenter after 09/2011) the option of being able to use the phosphate-free “Active Green” tabs thanks to a software update.

### Optimisation of ergonomics

The German Berufsgenossenschaft Nahrungsmittel und Gastgewerbe, the statutory accident insurance company for people in the food and catering industry, recommends that liquid foodstuffs should not be handled above eye level for work safety and ergonomic reasons. To meet that requirement, RATIONAL offers a wide range of solution variants for all kitchen and work situations.

The risk of back pain, caused by carrying heavy containers, is minimised by special transport accessories for large amounts of food and the automatic tilting system of the iVario.

An innovation introduced for the iVario in 2020 is its infinitely variable height adjustment feature. All employees can adjust it

to the ideal height for them at the touch of a button — just like with a modern desk. That eliminates the need to stoop and the long-term health consequences that entails.

### Less time pressure

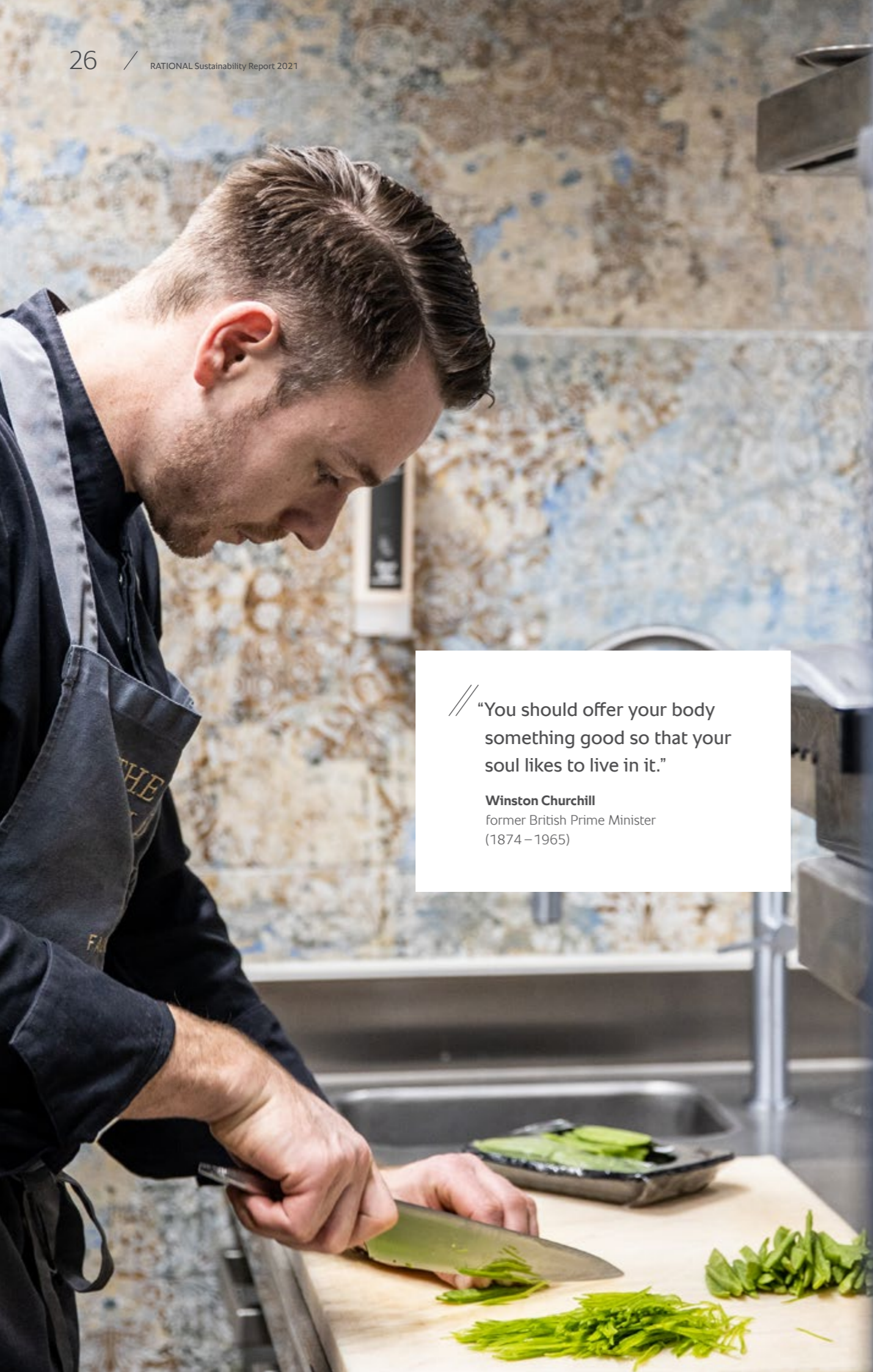
Stress is considered the source of many complaints. The pressure to perform, physical strain or lack of time can lead to various physical and/or mental illnesses. We refer readers to section 2.1 “Appliances that offer efficiency in diverse ways”, where we describe how our appliances help reduce stress in everyday work.

### German GS (“Tested Safety”) certification

Both appliance lines meet all the requirements for gaining certification with the German GS (“Tested Safety”) mark.



“Health is not everything, but without health, everything is nothing.”  
**Arthur Schopenhauer**  
 German philosopher and writer (1788 – 1860)



“You should offer your body something good so that your soul likes to live in it.”

**Winston Churchill**  
former British Prime Minister  
(1874–1965)

## Versatile food – gentle cooking for a healthy diet



### SDG 3

The ideal cooking quality of our products ensures a healthy diet by preserving nutrients, reducing harmful substances and delivering greater enjoyment. The appliances also guarantee high hygiene standards, which prevents the spread of pathogens.

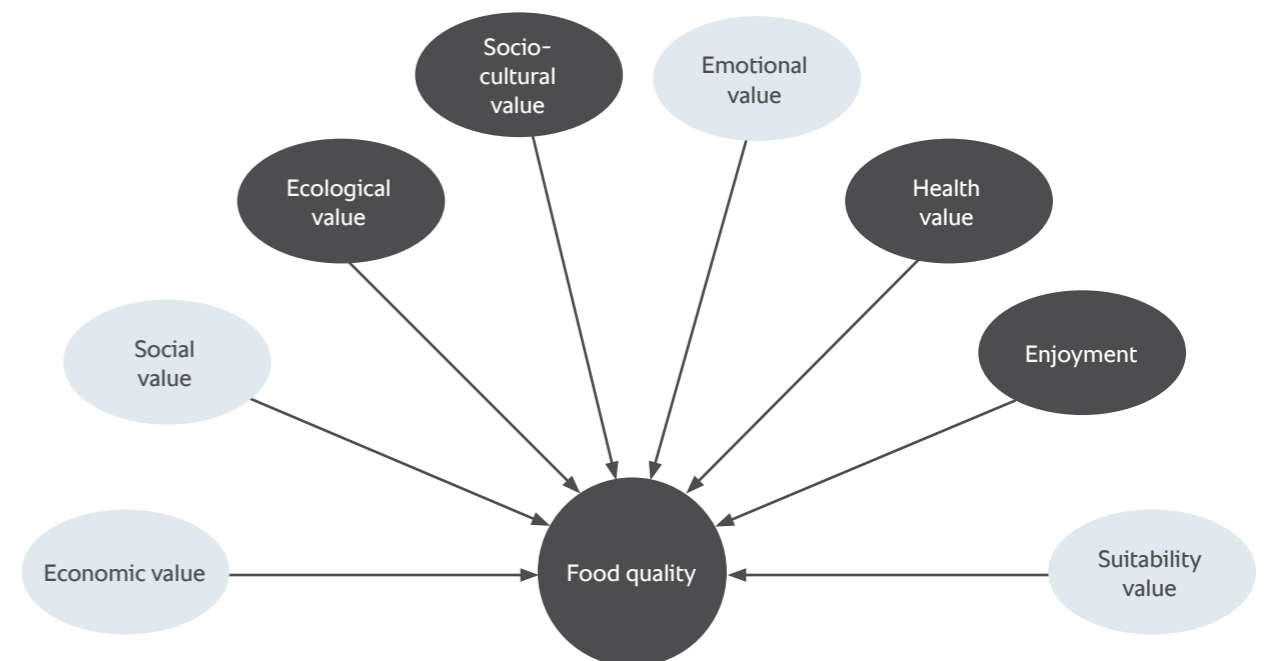
Because of the importance of this issue, our nutrition experts work closely with the Executive Board to continuously improve and further develop the foods that are produced.

Healthy nutrition is an important goal for our developers of both the iCombi and the iVario. The iVario impresses with high cooking speeds and an even heat distribution of the heated surfaces. As a result, little fat is needed for cooking, the food remains juicy, and vitamins, trace elements and other nutrients are better preserved in the food than when cooked using traditional cooking appliances. This has a positive effect on taste, food tolerance, and nutrition.

RATIONAL's mission is to offer people healthy, high-quality nutrition through the way our appliances cook food. Healthy nutrition is not only about providing important nutrients – eating is about enjoyment and feeling good.

The following statements generally relate to both the iCombi and iVario. Based on our estimates, 94% of the RATIONAL appliances currently in use are combi-steamers. More than 90% of all appliances sold in 2021 were combi-steamers. Some of the following analyses and key indicators therefore mainly relate to combi-steamer technology.

There are eight dimensions of food quality according to the literature (see the figure). We can cater for four dimensions with our appliances and so make a significant contribution to better quality of life. These are the socio-cultural, health, enjoyment and ecological value.



The eight dimensions of food quality (RATIONAL AG)

### Enjoyment

The enjoyment derived from eating is a factor that should not be underestimated in assessing the quality of food. Whether a meal is perceived by our senses as enjoyable and of a high quality depends on what it looks like, the sounds made when food is eaten — such as the crispy crackling on a roast joint — taste, mouthfeel and smell. If these aspects are perceived as positive, that has a huge impact on the quality of food.

RATIONAL therefore has trained employees who are solely responsible for ascertaining the sensory aspects and enjoyment of the food when new appliance generations are being developed. For this, we have conducted diverse tests on sensory aspects with our sales chefs from a wide range of countries. We have founded our own application development centre in Shanghai to specifically address cooking requirements in China.

With each generation of appliances, we therefore measurably increase the tastiness, the quality of the meals as perceived by our senses and hence the level of enjoyment.

RATIONAL's method of measuring the sensory perception of meals on the basis of look, sound, taste, mouthfeel and smell enables the quality of food to be quantified on a scale up to 100 points. The cooking result is compared with the respective expectations of customers worldwide on the basis of a large number of characteristics. The cooking profiles are then updated in the software for the appliance for the country in question.

When we launched our new iCombi generation of appliances, we modified how the scores for sensory quality were calculated so as to obtain greater precision in the event of deviating results. To enable an even better assessment of what customers ideally want from food, higher points deductions are imposed even in the case of minor deviations for each criterion under the new method.

The following scores are the mean values from 75 tests with different, internationally representative foods in each case cooked using both generations of appliance. With our previous products, we achieved a sensory quality of 77.6 points using the new method of calculation. We improved those scores further with the iCombi. The corresponding comparative score with the new generation of appliances in the tests was 80.5 points. That means the cooking result with the new

appliances is even closer to what is ideal, resulting in a better culinary experience for guests and making a positive contribution to their well-being and health.

### Health value

The most important task of food is to provide our body with nutrients. No harmful substances are produced during the cooking process when food is prepared by steaming. In addition, a significantly higher proportion of vitamins, minerals, trace elements and secondary plant substances are preserved with steaming than with traditional cooking methods. Steaming also allows food to be prepared with far less fat.

### More nutrients

Traditional food preparation depletes valuable nutrients through heat or by flushing them out. Scientific studies show that steaming preserves minerals, vitamins, trace elements, secondary plant substances and other nutrients much more effectively, which in turn strengthens the immune system.

Since the iCombi saturates the food with steam very quickly, it cooks much faster than competitor models that we compared. This stops enzymes that break down water-soluble vitamins or secondary plant materials (such as chlorophyll) very rapidly, and the valuable nutrients are retained more effectively.

Thanks to special cooking methods available with the iCombi, the right dish in the right amount can be served fresh at any time with a large number or wide variety of dishes. This avoids nutrient-killing practices, like keeping food warm or reheating it.

Our connectivity solution ConnectedCooking enables cooking to be standardised on all connected appliances. Within the new recipe management system, users can post their own recipes in the globally accessible database or get inspiration from other recipes. If the recipes have been verified by RATIONAL, users can then rely on the meals being of a particularly high quality.

In the future, we aim to provide our connected customers, if required, with a section in which they can manage their own recipes. The ingredients are then stored there, accompanied by details on nutrients, allergens and constituents, meaning ConnectedCooking can calculate the nutritional value and

allergens in the overall meal. That way, users can adapt very precisely to their guests' needs.

### Less fat

Food cooked in a combi-steamer with steam and convection requires very little fat. The RATIONAL CombiFry system allows food to be deep-fried in top quality and without additional fat. Scientific studies have shown that gentle fat-free cooking is much healthier and can reduce caloric content by up to two thirds.

### Fewer harmful substances

Steaming is not currently known to generate any harmful substances. Germany's Federal Ministry of Food and Agriculture therefore recommends steaming as the preferred cooking method, because grilling, roasting, frying, baking and deep-frying produce harmful substances in the food. RATIONAL cooking profiles are designed in such a way that the food is fried and baked as gently as possible to minimise the production of harmful substances.

The transfer of micro-organisms and harmful substances in the water to food is considered a risk, particularly in countries with low water quality. In order to counter this risk, RATIONAL appliances produce the steam outside of the cooking cavity in a separate steam generator so that no harmful substances in the water can enter the cooking cavity or reach the food.

### High hygiene standards

RATIONAL products are always supplied with default settings, which ensure the hygienic safety of the cooking process and maintain the original quality of the food. The accurate temperature control in the iCombi ensures that high-risk foods are heated to hygienically safe temperatures to minimise dangerous germs in the food being cooked. This aspect will play an increasingly important role in the future.

Multi-resistant pathogens are a growing problem in the generation of foodstuffs but also in further processing stages. In addition to setting high hygiene standards, this problem can be brought under control by using the right cooking methods. A basic rule to remember when cooking meat, for example, is that most of the dangerous germs are destroyed after 10 minutes at 70 degrees. This rule can be applied using our core temperature sensor, which measures and documents the meat's core temperature during cooking.

Automatic recording of the HACCP data (hazard analysis critical control point) allows the chef to monitor and ensure the hygienic safety of the food served at all times. The HACCP data recorded can then be evaluated continually by the chef on a daily basis using ConnectedCooking and made available to the regulatory authority as needed. ConnectedCooking allows direct intervention during ongoing cooking processes to make any adaptations necessary to ensure the hygienic safety of the food served. Our intelligent iCareSystem ensures automatic, perfect cleaning and descaling.

Various newsletters and reports from the Robert Koch Institute additionally supply our laboratories with up-to-date information. The best possible solutions for killing off bacteria and viruses by cooking are then integrated into our cooking profiles.

In the future, we also want to present all cooking processes and temperature profiles in a transparent manner with ConnectedCooking. Users can display the steps that are critical to hygiene — from goods receipt to goods issue — on their smartphone with the aid of the "Task Management Tool". To ensure a flawless hygiene chain, for example, receipt of the goods must be documented correctly, the delivery note must be received, the goods can be photographed and it's possible to track that the goods have been stored correctly in the cold store. Users can also set up temperature sensors networked by means of ConnectedCooking outside and inside food that has not yet been placed in a RATIONAL appliance. That also enables correct monitoring of food where hygiene is of critical importance at all times.



## Less is more — durability and recyclability



### SDG 12

RATIONAL's products are designed to last a very long time. The appliances can be recycled at the end of their service life due to the high degree of reusability of their components. As a result, we systematically avoid unnecessary material waste.

In 2021, we generated sales revenues of 3.2 million euros from service parts for combi-steamers that were produced only up to 2004 (2020: 3.5 million euros). This confirms that many of our appliances are still in use even after at least 17 years.

### Recyclability

However, we do not want our appliances to be simply thrown away when they reach the end of their long service life — after all, a large proportion of the components in them can be recycled. Recyclability is also enshrined in the goals of our projects. That ensures future appliance generations can be recycled to a large extent.

All in all, around 90% of installed components (in terms of weight) can be recycled. A high degree of reusability means parts can be returned to the product cycle. As a result, resources are conserved and waste is reduced. Moreover, our customers can recycle the appliances after their long service life and so benefit from the high scrap value of stainless steel or electronics components. If customers wish, we collect their old appliances and return them to the raw material cycle.

Today, most of all the materials used can currently be recycled with little technical effort and with almost no residue and then returned to the raw material cycle. The table below shows the distribution of materials used in the production process. The distribution is measured by the weight of the materials as an average for the RATIONAL appliance family.

### Materials used by weight

	in %	
	2020	2021
Stainless steel	69	69
Glass	8	8
Electrical materials and electronics	12	12
Insulation	5	5
Plastic	6	6

Based on our internal estimates, 94% of the RATIONAL appliances currently in use are combi-steamers. More than 90% of all appliances sold in 2021 were combi-steamers. Accordingly, the following statements apply in part solely to combi-steamer technology. They are commented on in the following.

Helping to protect the environment is a key element in our sustainability efforts, which is why we strive to leave as small a footprint as possible across the entire product life cycle. We aim to ensure that by also delivering appliances that have a long service life. After all, our goal is not to make a quick profit with products that last only a short time. We believe it is important for our customers to be able to use their high-quality appliances for as long as possible.

### Durability

RATIONAL wants to offer its customers appliances they can rely on for a long time to come by designing them from the start for a minimum life cycle of ten years, even under extreme loads. To enable that, the requirements for ensuring a product has a long service life are broken down from the overall system to the individual functions and components and defined. Solutions to satisfy those requirements are then developed. Finally, our appliances and their individual parts are subjected to intensive continuous testing to ensure that they actually have a long service life.

However, if components or parts should fail, it is important that we are able to supply a replacement quickly. That means customers can continue using their original appliance with the new components. That is what guarantees customers the availability of spare parts even for appliances that we no longer produce.

“Just avoid saying that fatal word: can't!”

**Werner von Siemens**  
German inventor and industrialist  
(1816–1892)





## Kind to the environment — resource-efficient production and logistics

### Environment and energy



#### SDG 12

Aspects such as energy efficiency and optimised use of space are particularly important in developing the infrastructure at our sites. ISO 14001 and ISO 50001 certification helps us continuously enhance our environmental and energy management activities.

As a company that focuses on sustainability, we incorporate environmental considerations into our business decisions. So that we can track achievement of environmental and energy objectives, the relevant consumption and disposal indicators are determined comprehensively, compared against the targets defined at the start of the year and discussed with senior management, and appropriate measures are developed from the findings.

At the Landsberg am Lech (Germany) site we maintain an environmental management system that is certified according to ISO 14001 and an energy management system that is certified according to ISO 50001, and set targets every year for the reduction of waste as well as for water, energy, and fuel consumption. Moreover, since 2020, our Landsberg am Lech site has been certified in accordance with the IEC 63000 standard with respect to the restriction of hazardous substances. In 2022 we plan certification under the ISO 14001 environmental management system at our Wittenheim (France) site.

As part of our management evaluation, we set the target of reducing consumption of various resources relative to the number of produced appliances and available gross total space.

We map our environmental performance using insightful key performance indicators. They are presented regularly in a numerical environmental performance evaluation. Our goal is to keep on improving our environmental performance.

We constantly try to minimise the volume of waste by means of suitable measures and projects.

Like the volume of waste, absolute water consumption usually fluctuates significantly due to construction and development projects. Nevertheless, we regularly set ourselves the target of reducing water consumption per appliance produced at our two production sites, namely by one percent per year at Landsberg and by five percent per year at Wittenheim.

### Use of water



#### SDG 6

We specifically try to keep on reducing water consumption by setting targets for water savings.

We constantly strive to minimise our water consumption. As part of that, we regularly examine our drinking water networks for leaks where liquids may escape unintentionally. Polluted waste water is cleaned by a treatment plant in accordance with requirements and discharged. This is regularly checked by an independent institute. Regular tests are conducted to check the quality of waste water. No protected bodies of water are affected by the withdrawal of water and discharge of waste water. All our service water is obtained from the municipal utility Stadtwerke Landsberg. We now operate four wells to use geothermal energy.

Our target in 2021 was to use one percent less water per appliance produced. We surpassed that target by a clear margin. Water consumption fell by 15% in absolute terms in 2021. After series launch of ICC/ICP/IV in 2020 and the related increase in testing work, the tests could be reduced in 2021. That is attributable to the natural cycle of a product launch, as well as measures that were taken, such as virtual cooking trials.

“The least movement is of importance to all nature.”

#### Blaise Pascal

French mathematician, physicist and Christian philosopher (1623 – 1662)

Some of the water savings are also due to the coronavirus crisis and related reduction in the number of events and guests at the staff restaurant. In addition, the 22% increase in production had a positive impact on the key performance indicator.

Water consumption per appliance produced			
	in litres		Change in %
	2020	2021	
Water consumption	385	268	-30

**Waste generation**

Our goal is to reduce waste and dispose of it in an environmentally friendly manner, separated it into fractions, and in compliance with statutory regulations. Waste is recycled or recovered for its energy in accordance with the high legal standards and the recommendations of our waste disposal companies. The low quantities of hazardous substances are disposed of by a specialist company in compliance with the German Circular Economy Act. Our compliance with standards, legislation and guidelines is continually monitored in internal audits and certified annually by external auditors (DEKRA).

Waste generation per appliance produced			
	in kg		Change in %
	2020	2021	
Hazardous waste	0.126	0.601	+ 376
Non-hazardous waste	23.90	21.38	-11
Share of non-hazardous waste	0.5%	2.7%	+ 421

The proportion of hazardous waste relative to total waste generation is less than three percent. However, the quantity of waste classified as hazardous rose significantly in 2021, albeit from a low base.

**Hazardous waste**

The types of waste classified as hazardous in our production processes totalled 50.13 tonnes in 2021 (2020: 8.6 tonnes).

The sharp increase is due to a process change relating to the production of pans at Landsberg: "Acidic pickling solution" is a waste product that is produced in electropolishing since the change was made at the end of 2020.

An acid electrolyte is used in electropolishing and is bonded in water at the end of the manufacturing process. This polluted water used to be chemically treated in a neutralisation plant, with the hazardous substance being filtered out and disposed of as a solid (electropolishing slurry). The treated waste water can then be discharged to the public sewerage system subject to constant observation (chemical laboratory analyses).

A new electrolyte has been used since the change in process. This new waste product can no longer be treated in the neutralisation plant. Since that time, we have engaged a certified service provider to dispose of the entire solution (electrolyte and water) as a hazardous substance. As a result, the quantity of hazardous substances has risen sharply in terms of weight.

**Non-hazardous waste**

Waste materials not classified as hazardous are recycled to a large extent. We pass on the reusable materials (stainless steel, mixed scrap metal, paper/cardboard, glass) to specialised recycling companies. We mostly receive compensation from the disposal companies for these separated recyclables.

Wood and commercial waste, building rubble, green waste and food waste are disposed of by certified disposal companies. The food waste undergoes thermal recycling (in a biogas plant).

A large part of the waste is separated into fractions by us. The rest, so-called commercial waste, is taken to suitable sorting plants by disposal companies engaged by RATIONAL so that some of this waste can be recycled.

In 2022, the types of waste classified as non-hazardous increased by around 5% in absolute terms. At the same time, waste per appliance produced fell by 14%.


**Use of paper**

Paper consumption at the Landsberg site rose significantly (+37%) in 2021. The increase is primarily attributable to higher production figures, since the operating instructions are printed in-house. In addition, the heavier paper that had to be used to print these instructions due to material bottle-necks, soiling as a result of construction measures and the reprinting necessitated by that, and the lower share of employees working from home compared to the previous year contributed to this higher paper consumption. Paper consumption at the Wittenheim site fell by 18% year on year as a result of more conscious printing at offices there.

Paper consumption per appliance produced increased due to the above-described disproportionate rise in absolute terms.

Paper consumption per appliance produced			
	in kg		Change in %
	2020	2021	
Copy and writing paper	0.196	0.201	+ 3
Print on demand (manuals for the appliances)	0.413	0.467	+ 13
<b>Total paper consumption</b>	<b>0.609</b>	<b>0.667</b>	<b>+ 10</b>

**Energy and fuel consumption**



**SDG 7**  
We specifically try to keep on reducing our energy consumption by setting targets for energy savings.

Energy consumption at the Landsberg and Wittenheim sites for the main sources of energy used (natural gas, electricity, diesel and petrol) developed year on year in 2021 as follows:

Energy consumption per appliance produced			
	in kWh		Change in %
	2020	2021	
Electricity	136	114	-17
Natural gas	54	52	-4
<b>Total energy consumption</b>	<b>190</b>	<b>166</b>	<b>-13</b>

At the Landsberg and Wittenheim sites, we were able to reduce electricity consumption per appliance produced by around 17% year on year. After series launch of ICC/ICP/IV in 2020 and the related increase in testing work, the tests could be reduced in 2021. That is attributable to the natural cycle of a product launch, as well as measures that were taken, such as virtual cooking trials. Some of the energy savings are also due to the coronavirus crisis and related reduction in the number of events and guests at the staff restaurant.

The decline in natural gas consumption per appliance produced is lower due to the fact that the weather necessitated greater heating in the winter period.

All in all, energy consumption per appliance produced fell by approximately 13%.

Fuel consumption per appliance produced			
	in litres		Change in %
	2020	2021	
Diesel	7.0	6.1	-13
Petrol	0.7	0.5	-21
<b>Total fuel consumption</b>	<b>7.7</b>	<b>6.6</b>	<b>-13</b>

94% of company vehicles with internal combustion engines comply with the Euro-6 standard. We also use nine electric vehicles for in-house passenger transport and a further electric vehicle for post. The significant decrease in fleet-related fuel consumption per unit produced by 13% on the one hand can be explained by the significant increase in sales. On the other hand Corona-related contact restrictions, the resulting lower number of customer events and customer visits as well as a significant home office share of employees at the locations resulted in a disproportionately low increase in fuel consumption.

The mileage of the company car fleet increased by around 3% in 2021 compared to the previous year. Fuel consumption per kilometre travelled decreased by 5% due to the continuously more efficient fleet. Since the 2019 financial year, the mileage of all passenger cars and, within the framework of ISO 14001 and 50001, the consumption value "l/100km" have been considered relevant key figures.

**Emissions**


By using modern building technology and optimising our production processes, we hold CO<sub>2</sub> emissions to a low level. From 2010 to 2019, we maintained total CO<sub>2</sub> emissions at a constant level, while the number of appliances we produced was roughly doubled.

CO<sub>2</sub> emissions fell sharply again in 2021 due to the switch to green electricity produced from renewable sources in mid-2020 under our power supply agreement. A sharp reduction in air miles also helped cut CO<sub>2</sub> emissions.

CO<sub>2</sub> emissions per appliance produced were roughly halved given the reduction in overall emissions coupled with the sharp increase in sales volumes.

CO <sub>2</sub> emissions	in t		
	2020	2021	Change in %
Scope 1 (fleet, heating energy)	2,083	2,292	10
Scope 2 (electricity)	1,484	7	-100
Scope 3 (flights)	898	256	-72
<b>Total CO<sub>2</sub> emissions</b>	<b>4,465</b>	<b>2,555</b>	<b>-43</b>
Per appliance produced	0.066	0.031	-53

**Customer-focused packaging**



**SDG 12**  
Wherever possible, we use recyclable or environmentally friendly materials for packaging our combi-steamers.

Wherever it makes sense, we use recyclable or environmentally friendly materials. We especially try to avoid or reduce plastic and foil wherever the specific product characteristics make that possible. The corrugated cardboard packaging used for our appliances consists of 75% recycled material.

We focus in particular on avoiding transport damage by using suitable packaging materials. The table below shows the distribution of packaging materials:

Total amount of packaging materials RATIONAL Group 2021				
	2020		2021	
	in t	% of total	in t	% of total
Cardboard	1,313	37	1,607	40
Plastic	492	14	554	14
Foil	124	4	136	3
Wood	1,573	45	1,763	43
<b>Total</b>	<b>3,502</b>		<b>4,060</b>	<b>100</b>

The packaging we use for our appliances is almost fully recyclable. Cardboard and wood are almost exclusively used for packaging our service parts and accessories.

It is only for care products that we primarily have to rely on plastic packaging. These products for cleaning and caring for RATIONAL appliances are sold in particular in the form of tabs, while a small amount is also sold as a liquid product. To permanently ensure the product quality, the liquids must usually be packaged in canisters or in plastic buckets and foil. Accordingly, around 90% of the packaging material is plastic or foil.



// “We will either find a way or make one.”  
**Hannibal Barkas**  
 Carthaginian general (around 247–183 BC)

“If you treat people as they are, they will become worse. If you treat them as they could be, they will become better.”

**Johann Wolfgang von Goethe**

German poet and naturalist  
(1749–1832)

## Our engine that drives sustainability: our employees

The total number of employees in the Group rose in 2021 from 2,180 to 2,248 (as of 31 December 2021). The table below shows the regional distribution and development:

Employees by region	2020	%	2021	%
		of total		of total
Germany	1,223	56	1,285	57
Europe (excluding Germany)	549	25	556	25
North America	140	6	141	6
Latin America	62	3	58	3
Asia	196	9	197	9
Rest of the world	10	0	10	0
<b>Total employees</b>	<b>2,180</b>		<b>2,248</b>	

Note: The total for the percentages shown may not be exactly 100 due to rounding.

### Entrepreneur in the Company – the U.i.U.

Our employees have been the basis of our success in recent decades. To be successful we need the best and most satisfied people who are highly committed and dedicated every day to being there for our customers.

It is precisely for such employees that we create an environment in which they can develop their abilities freely and independently. The principle of the Entrepreneur in the Company (U.i.U.<sup>®</sup>), which encompasses a decentralised management structure, high levels of personal responsibility and self-organisation, forms the basis for that.

No employee survey was conducted in 2021, in particular due to the coronavirus crisis. The last survey dates from 2020.

Employees especially appreciated the good development opportunities as well as the clear assignment of responsibilities and setting of corporate goals. In addition, employees valued the high regard and respect shown toward them and the support given by their direct manager, and voiced their trust in senior management.

The main challenges listed by the employees were the increased workload due to the strong growth and the need for improvement to structures and decision-making processes.

Other employee wishes included clarity about development opportunities and more flexible adaptation to changes in the industry.

RATIONAL takes that feedback from employees very seriously and regards this instrument as a key milestone in its corporate culture, which is why many suggestions and wishes were put into practice following the survey in workshops staged by all managers with their teams. The RATIONAL Culture Group was set up specifically for that and consists of volunteer (inter)national employees who help inject new impetus and fresh ideas for our corporate culture. The Culture Group advises the Executive Board by making concrete suggestions and recommendations.

We believe that the employee survey generates very great benefits for our company. Employees can actively shape RATIONAL's future and so make a valuable contribution to establishing a thriving and lively corporate culture. To maintain this lively spirit and high degree of engagement, we plan to conduct an employee survey again in 2022.

In order to meet employees' wishes for more flexible ways of working, as well as to address safety aspects against the backdrop of the coronavirus crisis, the home office agreement that came into effect in March 2019 was expanded significantly. Working from home was increased in an unbureaucratic and highly flexible manner in 2020, if that was compatible with business requirements. Employees were provided with the equipment they needed to be able to work as often as possible from home and perform it in the customary quality.

To strengthen communication channels at the company, two neutral contact persons each in Switzerland and France were appointed in 2019 in addition to the three existing confidential advisors in Landsberg.

Our forum for entrepreneurs, in which the Executive Board members report regularly on the latest business developments, could not be held as an in-person event due to the pandemic.

Since the spring of 2020, the members of our Executive Board have instead broadcast video messages in German and English to our employees worldwide. That not only improves communication from Landsberg to our foreign subsidiaries; the fact that the videos are provided on an online platform means employees all over the world can respond to the messages with questions and comments. Moreover, a global company-wide conference channel was set up and is used by employees not only as a formal means of sharing information, but also for personal networking and simply expressing opinions between colleagues.

**Satisfied and loyal employees**

Our employee-centric measures mean that employee retention and satisfaction are at a high level. One upshot is the strong feeling of loyalty among our workforce. Staff turnover was 8% worldwide (2020: 9%).

Thanks to the many years where the workforce has increased, our efforts to foster young talents and our employees' high degree of loyalty, we have a very healthy mix of young, talented and ambitious employees and long-standing, experienced staff. Approximately a third of the workforce has now been with RATIONAL for longer than ten years. Around 1,000 relatively new colleagues who have joined us in the last five years inject a fresh perspective and their experience from earlier stations in their career. The average length of service is 8.8 years.

The average age of the workforce at the reporting date in 2021 was 43 (2020: 42). The table below shows the age structure:

Employee by age group				
	2020	% of total	2021	% of total
up to 30	334	15	402	18
31 to 40	694	32	694	31
41 to 50	630	29	618	27
51 to 60	432	20	451	20
> 61	90	4	83	4
<b>Total employees</b>	<b>2,180</b>		<b>2,248</b>	

Note: The total for the percentages shown may not be exactly 100 due to rounding.



**Training and education at RATIONAL**

We need to encourage U.i.U. who use their own mind, help shape our company and work independently, yet also challenge them. We offer extensive training and education opportunities to help our employees develop personally and professionally in the best possible way.

That increases know-how in the company, fosters innovativeness, performance and a willingness to achieve, and enhances employee satisfaction. Ultimately, all that has a positive impact on our company's productivity.

**Internal further training**

RATIONAL offers a large variety of interdisciplinary and subject-specific internal training throughout the company.

The number of participants in the interdisciplinary training courses alone is usually more than 500 a year. We offer courses on subjects such as work safety, compliance, the General Equal Opportunity Act, IT security, languages, leadership or general management. It goes without saying that product-related training or sales & marketing courses are offered. The RATIONAL Campus, which can be called on RATIONAL's intranet, provides a transparent overview of all internal further training opportunities, which are held either in the form of in-person events or e-learning courses in the e-Campus. Employees can also attend external technical training courses in agreement with their manager.

Our employees can now choose from around 100 e-learning modules and can use them at any time as and when required. We continue to expand this offering.

The average time of training per employee is between four and five days a year.

**Vocational training**

We see the focussed promotion of young, talented employees as an important building block for the company's successful development and fitness for the future. Qualified vocational training therefore enjoys a very high priority at RATIONAL. In 2021, we employed 68 apprentices in the following disciplines: industrial business managers, warehouse logistics, industrial technicians, mechatronics engineers, metal technology and IT specialists. 16 employees were on dual courses of study, combining studies with practical experience in computer science, mechatronics, mechanical engineering, international business, and hotel and lifecycle catering. In addition, as at the balance sheet date, a total of 29 junior employees worked in various programmes.



**Equal rights and equal opportunities**

All employees are equally valued, are given the same respect and have comparable opportunities. By signing their contract of employment, they have committed themselves in writing to refrain from and act against any kind of discrimination, sexual harassment or other personal attacks against individuals. Five confidential advisors and the Compliance Officer are available to employees in the Group at all times. Any problems can be voiced and solved anonymously.

Skills, qualifications and experience are the only factors in deciding appointments or promotions. Compensation is likewise based on qualifications, experience and performance and is thus independent of a person's gender or ethnicity.

All companies and managerial levels in the RATIONAL Group are included in the calculation.


**Employees per management level**

	Female	% of total	Male	% of total
Executive Board	0	0	4	0
Executive positions <sup>1</sup>	72	3	299	13
Executive positions <sup>2</sup>		12		18
Executive positions <sup>3</sup>		20		80
Employees	528	28	1,349	72
Total	600	27	1,652	73
<b>Total without Executive Board</b>	<b>600</b>	<b>27</b>	<b>1,648</b>	<b>73</b>

Status: 31 December 2021

<sup>1</sup> Percentage shares relative to the total workforce (HGB perspective — excluding the Executive Board and apprentices)  
<sup>2</sup> Ratio of managers relative to their own gender (HGB perspective — excluding the Executive Board and apprentices)  
<sup>3</sup> Ratio of genders in executive positions (HGB perspective — excluding the Executive Board and apprentices)

**Health protection for employees**



**SDG 3/8**  
We have created an environment with secure, productive and collaborative working conditions by implementing stringent measures to safeguard the health and safety of our employees.

As required by law, detailed illness and accident data is collected at the two main locations Landsberg am Lech and Wittenheim, where almost two-thirds of all our employees work. These figures are not recorded in the same way at many foreign sales offices due to the fact that there are no regulations or no comparable regulations. Consequently, the data on absenteeism in this report for structurally similar subsidiaries that do not collect the data themselves has been extrapolated from the information available for around 75% of employees worldwide. Consistent Group-wide processes will be implemented in the coming years, starting in 2022.

A safe and healthy working environment, as well as numerous measures to promote health, mean that employees suffer fewer occupational illnesses, injuries and stress. As a result, they are more satisfied and are more at home in a pleasant working atmosphere. Employees can feel satisfied, be motivated and perform well only if the environment they work in is safe. Consequently, it is less likely that employees will leave the company, and their greater motivation and satisfaction means they contribute more to the company's success.

It is therefore essential to establish suitable concepts and measures to keep the number of work accidents, sickness rates and absences down. As part of that, our targets are geared towards the figures for the previous year, which we try to improve on or beat.

**Organisation**

RATIONAL has its own "Occupational Health and Safety Promotion" organisation, made up of experts in the field of safety at work. It addresses issues such as health protection, work safety, occupational healthcare, training of safety experts, risk assessments, and health and safety training and instruction.

There are quarterly meetings of the Work Safety Committee (ASA), which are attended by the company doctor, safety experts, spokespersons of the safety officers, and a representative appointed by senior management, to discuss occupational safety and accident prevention.

The results of the annual safety audit conducted by external auditors are then reported to the Executive Board. Internal process audits are conducted to monitor compliance with standards. Occupational safety issues are also part of the internal process audits. The concept for weekly inspections involving spot checks to review cleanliness and safety at the company is currently being revised. The revised concept will be implemented in 2022. In spot checks in the future, special attention will also be paid to safety aspects, such as alarm plans, equipment, fire prevention, escape routes, protection of PCs and floor markings, and action will be taken in response to the need for improvement.

**Measures to increase safety**

Explicit measures to ensure safety at work are risk and hazard assessments for machinery, workplaces, products and activities. They are updated regularly or carried out on an ad-hoc basis, such as in the event of relocations, new hires or new building or conversion work, in accordance with statutory requirements. The aim is to determine the condition of the machinery, operating facilities, workplaces and products and identify the risk potential from hazardous substances. As a result, we constantly have an eye on potential risk situations for our employees and can take improvement measures if and when necessary.

Working with hazardous substances is also a safety risk for our employees. To minimise that risk, RATIONAL maintains a hazardous substances register. The purpose is to ensure that hazardous substances are handled in compliance with

safety regulations and to keep on reducing their number in the working environment. Implementation of professional software to support management of hazardous substances was commenced in autumn 2021 and is expected to be completed in the first quarter of 2022.

**Measures to improve health**

In order to promote employees' health, all staff are offered regular services by the company doctor. If employees have been ill for a lengthy time, we support them in gradually returning to working life in compliance with statutory regulations.

As further measures to improve health and employees' work-life balance, we offer numerous community sports activities and registration with qualitrain in Germany. RATIONAL offers low-cost membership subsidised by the company so that staff can pursue sporting activities at numerous sports and leisure facilities.

The menus in the staff restaurants are based on the latest nutritional knowledge. Convenience products are not used for the most part. Particular importance is attached to procuring the raw materials from regional sources, and cooking of the meals in RATIONAL systems help ensure that RATIONAL's chefs prepare food so as to preserve its nutrients. The range of vegan meals offered is being increased continuously, and the nutrients and allergens in the food are indicated in full. Employees are also offered free fruit every day.

**Protective measures as part of the coronavirus crisis**

When the coronavirus broke out, a crisis team was set up, which continuously adapts and expands the Group's pandemic plan and implements many protective measures worldwide to prevent employees and business partners from being infected as far as possible. The main measures were a significant expansion in opportunities to work from home, the adjustment of the shift models to reduce the number of colleagues present at one and the same time, hygiene concepts at all subsidiaries worldwide with the requirement to wear a mask in accordance with statutory regulations, distancing rules, testing and vaccination offerings, and means of disinfection. We are very pleased that, thanks to the good preventive measures and discipline of employees, no large infections broke out at the Group's sites.

**Sickness rate at an inconspicuous level**

The average Group-wide absenteeism rate (absences in relation to target work hours) in 2021 was 2.9% (2020: no details). Since this new key performance indicator was calculated for the first time at the Group level, there is no comparative figure for the previous year (see the explanation above).

The absenteeism rate at the Landsberg am Lech and Wittenheim locations was 3.6% (2020: 4.5%). Absenteeism at the production sites was therefore well below the sickness rate computed for persons insured by the BKK industry association in Germany (4.5%; 2020: 4.6%).



// "It is health which is real wealth."

**Mahatma Gandhi**  
Indian lawyer, pacifist and freedom fighter (1869 – 1948)

## Information security

Information security has never been as important as it is today. The diverse range of technical possibilities available makes it easier to conduct malicious attacks and steal information.

Information processing is vital for RATIONAL AG's business operations. All its main strategic and operational functions and tasks are underpinned by information technology. Information security comprises not only the security of IT systems and the data stored on them, but also the security of information that is not processed electronically.

### Defence against security risks

RATIONAL AG's declared aim is to protect the information entrusted to it by employees and customers. To do that, it uses means and processes that ensure an adequate and verifiable level of security. RATIONAL AG thus undertakes to apply the defined corporate guidelines carefully and responsibly and to enhance them. The Chief Information Security Officer is responsible for implementing the adopted measures and developing them further.

Apart from technical measures to defend against threats, employees are kept up-to-date and made more aware of them. Obligatory training courses on information protection are also held regularly.

In order to achieve the defined security objectives and keep on improving the level of security at RATIONAL AG, the company has established a documented information security management system (ISMS) and continuously improves it. The RATIONAL AG's ISMS is based on the requirements specified by ISO 27001 and ISO 27002.

“Companies spend millions of dollars on firewalls, encryption, and secure access devices and it's money wasted because none of these measures address the weakest link in the security chain: the users and system administrators.”

**Kevin Mitnick**  
Hacker

## A matter of course: ethics and legal compliance



### SDG 16

RATIONAL pays strict attention to the protection of human rights and is committed to combating corruption, bribery and cartels. RATIONAL operates fairly and in compliance with the law. As a result, we help ensure a more just society and economy.

As a company with low vertical integration, we collaborate very closely and comprehensively with our suppliers. All in all, we source production material from around 171 suppliers of series products. In order to ensure that our high standards of ethical conduct and compliance are also upheld by our suppliers in business dealings, we obligate them to adopt the Code of Conduct of the German Federal Association of Materials Management, Purchasing and Logistics e. V. (BME) or alternatively to impose an equivalent commitment on themselves and abide by it in their supply chain. We request proof of that from the supplier. We ensure support for our suppliers by means of an audit procedure developed specifically for RATIONAL's needs and help them fulfil the requirements under the BME Code of Conduct — and beyond. That entails implementing an eco-friendly supply and production policy as well as anti-corruption and anti-discrimination measures, as well as measures to prevent collusion in violation of antitrust law.

Compliance with all applicable laws worldwide and alignment with nationally and internationally recognised standards of conduct as well as ethical conduct are a matter of course for us as a company and for our employees. Observance of human rights and combating corruption and bribery are essential standards in this regard.

By acting with integrity, openness and honesty towards all our business partners and stakeholders, we safeguard our image as a reliable partner and thus make our company more attractive to work with. That also helps us avoid legal disputes and fines.

RATIONAL's primary compliance aim is to preserve our values through compliance with all relevant legal regulations and internal specifications and thus also protect the company and its institutions. The RATIONAL compliance management system is therefore focused on avoidance of any rule violations that can result in significant disadvantages for the company and its employees through criminal responsibility, civil liability or loss of reputation. That includes aspects punishable under criminal law (such as bribery and corruption), as well as human rights aspects such as child or slave labour.

“The way to the goal starts on the day you assume one-hundred percent responsibility for what you do.”

**Dante Alighieri**

Italian poet and philosopher  
(1265 – 1321)



### The RATIONAL compliance management system — conformity with regulations as a core understanding

Social principles and policies are integral aspects of our actions and our internal standards. These standards demand that all employees worldwide behave fairly and in conformity with regulations with respect to other employees, colleagues and all business partners. We therefore have a compliance management system that is audited by an independent auditor. Regardless of the country-specific probabilities of occurrence, our compliance management system is intended to prevent, identify and sanction compliance violations in all markets in which we are active. Business ties with persons from "risk countries" on the FATF (Financial Action Task Force) blacklist or a sanctions list are prohibited.

A vast proportion of RATIONAL's business activities is carried out in western countries where strict legal standards apply (Europe, North America). Production is performed exclusively at the Landsberg am Lech (Germany) and Wittenheim (France) locations. 82% of RATIONAL employees work in Europe and 6% in North America. Strict legal standards apply in these countries, which promote observance of human rights and proper business conduct. In accordance with the Transparency International (TI) Corruption Perceptions Index (CPI), we therefore largely do business in countries that have a low risk of corruption. The CPI is used exclusively to assess the risk of corruption in individual countries. Only 9% of the workforce is employed in Asia and 3% in Latin America.

The size of our subsidiary in the UK means we are a signatory to the UK Modern Slavery Act. As part of that, we undertake to disclose human rights risks in our operations and supply chains and report on how we minimise those risks.

### Successful ethical collaboration with our suppliers

As part of our participation in the Code of Conduct of the German Federal Association of Materials Management, Purchasing and Logistics e. V. (BME), we expect our suppliers to comply with its stipulations.

These expectations are communicated to suppliers in framework agreements (of which the Code of Conduct is a part) and in orders. By signing it, contractors undertake to comply with this code of conduct with their business partners and ensure that it is observed in their supply chain as well.

### Involvement of employees

The following presents the internal company processes in place to ensure we live up to the highest standards of ethical conduct and compliance in business.

The legal provisions are set out in easy-to-understand language for all employees in our RATIONAL rules of conduct in business. Employees confirm acknowledgement when they sign their employment contract. They define specific rules of behaviour for prohibiting unfair competition practices, dealing with business partners or avoiding conflicts of interest. Employees with access to sensitive information are subject to insider trading regulations.

The contents of the compliance policies are conveyed regularly in the framework of training. New employees are provided with instruction on RATIONAL's compliance requirements and have to confirm their participation and acknowledgement by means of their signature. In 2020, all new employees who have contact with business partners on behalf of RATIONAL took part in compliance training. All employees who joined us in 2021 must have completed this training by the end of the first quarter of 2022. As part of that, all employees with access to the Internet complete an online training course. The other employees receive in-person training.

The RATIONAL Guideline on Fair Competition for employees explains when conduct can be regarded as preventing or re-

stricting competition. Sales employees as well as employees in sales-related areas receive related training and gain certification if they successfully complete it. The Compliance organisation conducts an investigation as soon as it gains knowledge of violations of the guidelines. If the initial suspicion is confirmed, appropriate sanctions are initiated.

The RATIONAL Group's anti-corruption policy defines documentation requirements and maximum permitted thresholds for giving and receiving gifts and invitations. The policy also regulates against rendering of facilitation payments by RATIONAL.

### Involvement of Group management

Responsibility for compliance in the RATIONAL Group lies with the Executive Board of RATIONAL AG. As regards implementation, the Chief Compliance Officer is tasked with the setting up and enhanced development of the compliance management system. Moreover, local compliance managers have been appointed in the sales companies. To ensure that figures are received, the local compliance managers report to the Chief Compliance Officer. That latter reports matters brought to his or her attention to the Executive Board and Supervisory Board of RATIONAL AG on an ad-hoc basis or regularly in the monthly report. Adequate measures to address the matter in question are then defined and implemented.

The Head of Strategic Purchasing reports to the Executive Board and Supervisory Board of RATIONAL AG every month. As part of that, he or she deals with the results of the supplier audits and any compliance-related matters, for example. The Executive Board is notified directly about any acute issues.

Once these disclosures have been examined and assessed, the Chief Compliance Officer involves the relevant company departments as well as the audit function and — insofar as is necessary — the investigating authorities. Furthermore, the Chief Compliance Officer is responsible for carefully and immediately documenting the disclosures that are to be processed as well as any compliance incidents.

### Selection process and cooperation with suppliers

The information provided in this section relates to the working relationship with suppliers of series products at our production sites at Landsberg am Lech (Germany) and Wittenheim (France). The purchasing volumes of the other subsidiaries are insignificant from the Group perspective.

In order to obtain an initial estimate as part of procurement marketing as to whether suppliers live up to our corporate principles, they must sign a framework agreement in which the BME Code of Conduct (the code of conduct of the Association for Supply Chain Management, Procurement and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e. V.)) is stipulated as the basis for the business relationship. Starting in 2022, potential suppliers will also have to issue a supplier self-assessment containing pinpointed questions based on our audit approach. The self-assessment mainly covers the issues of cost-effectiveness, quality and performance at present. It is the basis for the further selection process.

The environmental and energy management standards (e.g. ISO 14001 or ISO 50001) and BME Code of Conduct are included in the selection, but are not initially the sole exclusion criteria. Alternatively, a supplier can also apply another code of conduct. Framework agreements are concluded with suppliers of series products, which specify contractual standards, for example, cooperation, quality assurance, claims for defects, prices, confidentiality/competition, and integrity/code of conduct.

In addition to supplier certification, successful cooperation with suppliers is underpinned by open and regular communication, monthly reporting for the principal key figures and regular audits in compliance with our internal audit approach (see above). Due to the coronavirus situation, only 35 audits were carried out in 2021 (2020: 13). 57 audits were conducted in 2019. The RATIONAL supplier system separately assesses product quality and the quality of cooperation.

**Regular sustainability audits at suppliers**

We developed a new compliance management system (CMS) for the supply chain in cooperation with an external specialist and used it in full for the first time in 2020 at the Landsberg production site. We plan to use this approach at our production site in Wittenheim starting in 2023. It already covers some suppliers of RATIONAL Wittenheim if they supply both production sites.

Since 2020, we assess our suppliers at random and on a rolling basis using the following criteria:

Criteria	Description
1. Integrity status	Check whether the supplier has subscribed and committed itself to a code of conduct and/or has likewise committed its own supply chain
2. Transparency International Corruption Perceptions Index	Location-based corruption audit
3. Corporate culture	Size of the company as a statement on awareness of legal issues by the supplier
4. Impact status on RATIONAL	There is a high level of dependency for more than 50% of the supplier's sales revenues with RATIONAL, which is why more attention is given to compliance
5. Personal assessment of purchasing department	Assessment based on past experience with suppliers
6. Short interview	Answering and evaluating five short questions on, for example, money laundering

These six criteria are evaluated to obtain an overall rating for all suppliers. The three suppliers with the lowest rating have the highest risk of major deviations in relation to these criteria and are subsequently audited by an external partner. This audit deals intensively with issues such as corruption, respect for human rights, combating child labour, protection of the environment and work safety and, among other things, involves inspections at the supplier's premises.

Depending on the result of these audits, we point out anomalies in relation to the above criteria and demand that they be rectified. In the past, development measures were agreed with the supplier if applicable and implementation of them was monitored. The goal is to establish a lasting working relationship with suppliers after the problem areas have been remedied. If the supplier does not comply, we reserve the right as the customer to immediately cancel contracts with due notice.

We conducted a risk-oriented assessment of these criteria for 2021 — as described in the table — and selected three suppliers for auditing. Guided by past experience, we deliberately decided against using remote audits this time. The audits were not conducted in the reporting period due to the coronavirus situation, but will be held in person on site in the second quarter of 2022.

**Conformity with regulations in the reporting period**

No substantial fines arose in the reporting period beyond the normal course of business as a result of non-compliance with laws and regulations. There were no grievances about ecological, social or human rights impacts, labour practices or violation of customer privacy. There were no incidents or grievances filed due to corruption, anti-competitive behaviour or anti-trust and monopoly practices. The company was not involved in any significant court action relating to patents or other fields of law in 2021.



// “Coming together is a beginning, staying together is progress, and working together is success.”  
**Henry Ford**  
 American entrepreneur, founder of the Ford Motor Company (1863 – 1947)



**Publisher and contact**

RATIONAL AG  
Siegfried-Meister-Strasse 1  
86899 Landsberg am Lech  
Germany

Phone +49 8191 3270  
[info@rational-online.com](mailto:info@rational-online.com)

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